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Reply to:
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, TN 37202

December 8, 2003

Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

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IN RE: BELL SOUTH TELECOMMUNICATIONS, INC.'S TARIFF TO INCREASE
CERTAIN RESIDENCE AND BUSINESS LOCAL EXCHANGE RATES -- TARIFF
NUMBER: 20031339. DOCKET NO. 03-00619

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocate and Protection Division's Complaint and Petition To Intervene in regards to Docket No. 03-00619. Kindly file same in this docket. Copies are being sent to all parties of record. If you have any questions, kindly contact me at (615) 532-2590. Thank you.

Sincerely,

Joe Shirley
JOE SHIRLEY

Assistant Attorney General

cc: All Parties of Record

#66649

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
BELLSOUTH)	
TELECOMMUNICATIONS, INC.'S)	DOCKET NO. 03-00619
TARIFF TO INCREASE CERTAIN)	
RESIDENCE AND BUSINESS LOCAL)	TARIFF NO. 2003-1339
EXCHANGE RATES)	

COMPLAINT AND PETITION TO INTERVENE

Comes now Paul G. Summers, Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of the Attorney General (hereinafter "Consumer Advocate"), pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(A), and complains against the above-referenced tariff and petitions the Tennessee Regulatory Authority ("TRA") to convene a contested case proceeding and grant the Consumer Advocate's intervention in this docket on behalf of the public interest because consumers may be adversely affected by the proposed tariff as it seeks to increase the rates of basic local telephone service in violation of state law.

For cause, the Consumer Advocate would show unto the TRA as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 (c)(2)(A) to represent the interests of Tennessee consumers of public utilities services by initiating a proceeding before the TRA in accordance with the Uniform Administrative Procedures Act ("UAPA").
2. BellSouth Telecommunications, Inc. ("BellSouth") is an incumbent local exchange carrier operating in the State of Tennessee, regulated by the TRA, and offering basic local exchange telephone service to Tennessee consumers.

3. BellSouth has its principal offices at 333 Commerce Street, Nashville, Tennessee 37201-3300.

4. On December 2, 2003, BellSouth filed Tariff No. 2003-1339, which proposes to increase the rates for residential and business basic local telephone service. BellSouth requests an effective date of December 31, 2003, for these rate increases.

5. As illustrated in the attached **EXHIBIT**, if the TRA approves BellSouth's tariff proposal, rates for residential basic local exchange telephone service in certain areas would increase from 4.14% to 21.72%. For example, residential customers in Petersburg would experience a basic local telephone rate increase of 21.72%; residential customers in Newport, Shelbyville, and Savannah would see a rate increase of 14.17%; the residential rates in Tullahoma, Columbia, and Milan would increase by 8.12%; and residential customers in Chattanooga and Knoxville would pay 4.14% more than they currently pay in basic local telephone rates.

6. BellSouth's tariff proposes such rate increases for flat-rate, message-rate, and measured-rate basic local telephone service.

7. On December 9, 1998, the TRA entered its *Order Approving BellSouth Telecommunications, Inc.'s Application for Price Regulation Plan*. Therein, the TRA approved BellSouth's price regulation plan with an effective date of October 1, 1995. The TRA also approved BellSouth's rates existing on June 6, 1995, as the initial rates for basic local exchange telephone service, and the TRA ordered that increases in such rates shall not occur until December 1, 2002, consistent with Tenn. Code Ann. § 65-5-209(f).

8. Tenn. Code Ann. § 65-5-209(f) states:

Notwithstanding the annual adjustments permitted in subsection (e), the initial basic local exchange telephone service rates of an incumbent local exchange telephone company subject to price regulation shall not increase for a period of four (4) years from the date the incumbent local exchange telephone company becomes subject to such regulation. At the expiration of the four-year period, an incumbent local exchange telephone company is permitted to adjust annually its rates for basic local exchange telephone services in accordance with the method set forth in subsection (e) provided that in no event shall the rate for residential basic local exchange telephone service be increased in any one (1) year by more than the percentage change in inflation for the United States using the gross domestic product-price index (GDP-PI) from the preceding year as the measure of inflation.

Tenn. Code Ann. § 65-5-209(f) (Supp. 2003) (*emphasis added*).

9. The GDP-PI from the preceding calendar year 2002 is 1.1%, and the annualized GDP-PI from the most recent preceding year ended Third Quarter 2003 is 1.7%.

10. BellSouth's proposed tariff violates Tenn. Code Ann. § 65-5-209(f) because it seeks to increase the rates for residential basic local exchange telephone service by more than the percentage change in inflation using the GDP-PI from the preceding year as a measure of inflation.

11. BellSouth's proposed tariff could also violate its price regulation plan.

12. Accordingly, the TRA should deny BellSouth's tariff as it would impose rates for basic local telephone service in excess of that permitted by law.

13. Only by initiating, intervening, and participating in this proceeding can the Consumer Advocate work effectively to protect the interests of consumers of basic local telephone service.

WHEREFORE, the Consumer Advocate prays that the TRA will convene a contested case proceeding and grant its Complaint and Petition to Intervene, and grant such other relief as may be deemed appropriate under the law.

RESPECTFULLY SUBMITTED,



PAUL G. SUMMERS, B.P.R. #6285

Attorney General
State of Tennessee



JOE SHIRLEY, B.P.R. #022287

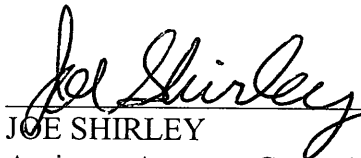
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 532-2590

Dated: December 8, 2003

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via facsimile or first-class U.S. Mail, postage prepaid, on December 8, 2003, upon:

Guy M. Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300



JOE SHIRLEY
Assistant Attorney General

71072

EXHIBIT

Dec. 5, 2003

BellSouth Telecommunications, Inc.**Tariff No. 2003-1339****Schedule of Proposed Increases in Residential Basic Telephone Rates For Selected Areas**

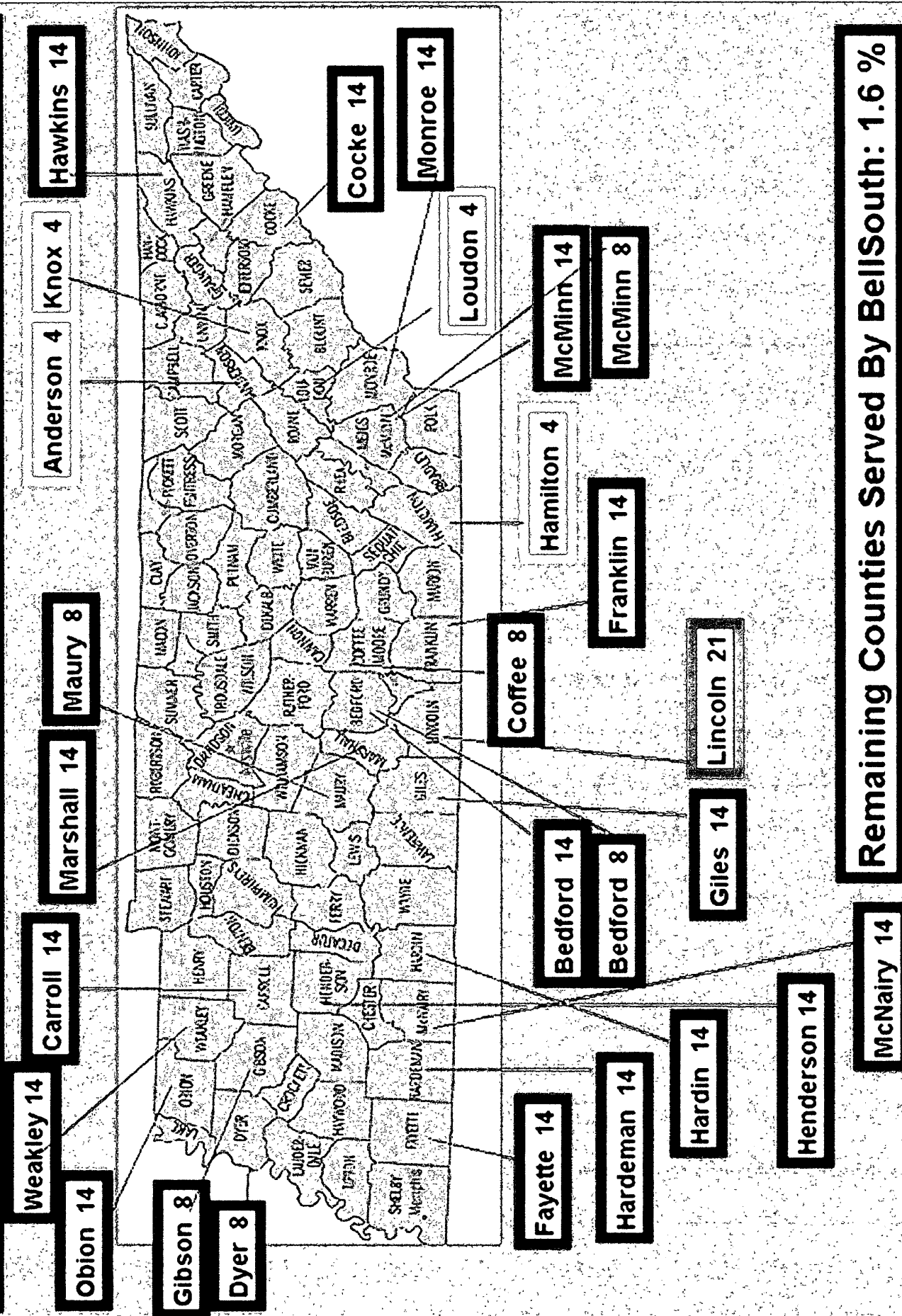
Line	Exchange	Current Rate (June 6, 1995)	Proposed Rate	Proposed Dollar Increase	Proposed Percent Increase
1	Petersburg	\$ 7.55	\$ 9.19	\$ 1.64	21.72%
2	Bethel Springs	7.55	8.62	1.07	14.17%
3	Bolivar	7.55	8.62	1.07	14.17%
4	Copper Basin	7.55	8.62	1.07	14.17%
5	Elkton	7.55	8.62	1.07	14.17%
6	Fayetteville	7.55	8.62	1.07	14.17%
7	Flintville	7.55	8.62	1.07	14.17%
8	Grand Junction	7.55	8.62	1.07	14.17%
9	Greenfield	7.55	8.62	1.07	14.17%
10	Hornbeak	7.55	8.62	1.07	14.17%
11	Huntland	7.55	8.62	1.07	14.17%
12	Lewisburg	7.55	8.62	1.07	14.17%
13	Lexington	7.55	8.62	1.07	14.17%
14	Lynnville	7.55	8.62	1.07	14.17%
15	Madisonville	7.55	8.62	1.07	14.17%
16	McKenzie	7.55	8.62	1.07	14.17%
17	Middleton	7.55	8.62	1.07	14.17%
18	Newport	7.55	8.62	1.07	14.17%
19	Pulaski	7.55	8.62	1.07	14.17%
20	Rogersville	7.55	8.62	1.07	14.17%
21	Savannah	7.55	8.62	1.07	14.17%
22	Selmer	7.55	8.62	1.07	14.17%
23	Sewanee	7.55	8.62	1.07	14.17%
24	Shelbyville	7.55	8.62	1.07	14.17%
25	Surgionsville	7.55	8.62	1.07	14.17%
26	Sweetwater	7.55	8.62	1.07	14.17%
27	Troy	7.55	8.62	1.07	14.17%
28	Union City	7.55	8.62	1.07	14.17%
29	Wartrace	7.55	8.62	1.07	14.17%
30	Whiteville	7.55	8.62	1.07	14.17%
31	Winchester	7.55	8.62	1.07	14.17%
32	Athens	8.50	9.19	0.69	8.12%
33	Columbia	8.50	9.19	0.69	8.12%
34	Culleoka	8.50	9.19	0.69	8.12%
35	Dyer	8.50	9.19	0.69	8.12%
36	Etowah	8.50	9.19	0.69	8.12%
37	Gibson	8.50	9.19	0.69	8.12%
38	Hampshire	8.50	9.19	0.69	8.12%
39	Humboldt	8.50	9.19	0.69	8.12%
40	Manchester	8.50	9.19	0.69	8.12%
41	Medina	8.50	9.19	0.69	8.12%
42	Milan	8.50	9.19	0.69	8.12%
43	Mt. Pleasant	8.50	9.19	0.69	8.12%
44	Normandy	8.50	9.19	0.69	8.12%
45	Santa Fe	8.50	9.19	0.69	8.12%
46	Spring Hill	8.50	9.19	0.69	8.12%
47	Trenton	8.50	9.19	0.69	8.12%
48	Tulahoma	8.50	9.19	0.69	8.12%
49	Williamsport	8.50	9.19	0.69	8.12%
50	Chattanooga, TN	11.85	12.34	0.49	4.14%
51	Greenback	11.85	12.34	0.49	4.14%
52	Knoxville	11.85	12.34	0.49	4.14%
53	Mascot-Strawberry Plains	11.85	12.34	0.49	4.14%
54	Oliver Springs	11.85	12.34	0.49	4.14%
55	Solway	11.85	12.34	0.49	4.14%

Source: BellSouth's Proposed Tariff 2003-1339 and BellSouth's Current Tariff GSST Sec A3.7

IMPORTANT NOTE: This exhibit is not intended to represent an all-inclusive list of the rate increases that the Consumer Advocate may oppose.

County	Bell Exchange Named	Proposed Price Increase in Residential Basic Local Exchange Telephone Rates	County Per Capita Income as a Percent of Average Statewide Per Capita Income	County	In an MSA Area?	Area
Lincoln County	Petersburg	21 70%	78%	Lincoln	No	
Weakey County	Greenfield	14 20%	79%	Weakley	No	
Obion County	Hornbeak	14 20%	92%	Obion	No	
Obion County	Troy	14.20%	92%	Obion	No	
Obion County	Union City	14.20%	92%	Obion	No	
Monroe County	Madisonville	14.20%	71%	Monroe	No	
McNairy County	Bethel Springs	14.20%	75%	McNairy	No	
McNairy County	Selmer	14 20%	75%	McNairy	No	
McMinn County	Sweetwater	14.20%	77%	McMinn	No	
Marshall County	Lewisburg	14.20%	90%	Marshall	No	
Lincoln County	Fayetteville	14.20%	78%	Lincoln	No	
Lincoln County	Flintville	14 20%	78%	Lincoln	No	
Henderson County	Lexington	14 20%	83%	Henderson	No	
Hawkins County	Rogersville	14.20%	76%	Hawkins	Yes	JCity-Kings-Bristol
Hawkins County	Surgeonsville	14.20%	76%	Hawkins	Yes	JCity-Kings-Bristol
Hardin County	Savannah	14.20%	75%	Hardin	No	
Hardeman County	Bolivar	14.20%	69%	Hardeman	No	
Hardeman County	Middleton	14 20%	69%	Hardeman	No	
Hardeman County	Whiteville	14.20%	69%	Hardeman	No	
Giles County	Elkton	14.20%	86%	Giles	No	
Giles County	Lynnville	14 20%	86%	Giles	No	
Giles County	Pulaski	14 20%	86%	Giles	No	
Franklin County	Huntland	14 20%	81%	Franklin	No	
Franklin County	Sewanee	14.20%	81%	Franklin	No	
Franklin County	Winchester	14.20%	81%	Franklin	No	
Fayette County	Grand Junction	14.20%	88%	Fayette	No	
Cocke County	Newport	14 20%	69%	Cocke	No	
Carroll County	McKenzie	14.20%	77%	Carroll	No	
Bedford County	Shelbyville	14 20%	84%	Bedford	No	
Bedford County	Wartrace	14.20%	84%	Bedford	No	
McMinn County	Athens	8.10%	77%	McMinn	No	
McMinn County	Etowah	8 10%	77%	McMinn	No	
Maury County	Columbia	8 10%	85%	Maury	No	
Maury County	Culleoka	8.10%	85%	Maury	No	
Maury County	Hampshire	8.10%	85%	Maury	No	
Maury County	Mt. Pleasant	8.12%	85%	Maury	No	
Maury County	Santa Fe	8 10%	85%	Maury	No	
Maury County	Spring Hill	8.10%	85%	Maury	No	
Maury County	Williamsport	8 10%	85%	Maury	No	
Gibson County	Gibson	8.10%	86%	Gibson	No	
Gibson County	Humboldt	8.10%	86%	Gibson	No	
Gibson County	Medina	8 10%	86%	Gibson	No	
Gibson County	Milan	8.10%	86%	Gibson	No	
Gibson County	Trenton	8.10%	86%	Gibson	No	
Dyer County	Dyer	8.10%	89%	Dyer	No	
Coffee County	Manchester	8.10%	90%	Coffee	No	
Coffee County	Tullahoma	8.10%	90%	Coffee	No	
Bedford County	Normandy	8 10%	84%	Bedford	No	
Knox County	Mascot-Strawberry Plains	4.10%	109%	Knox	Yes	Knoxville
Loudon County	Greenback	4.10%	89%	Loudon	Yes	Knoxville
Knox County	Knoxville	4.10%	109%	Knox	Yes	Knoxville
Hamilton County	Chattanooga	4 10%	115%	Hamilton	Yes	Chattanooga
Anderson County	Oliver Springs	4.10%	97%	Anderson	Yes	Knoxville

BellSouth Proposes Residential Service Price Increases Ranging From 4 to 21 Percent In Counties Shown: Price Increase Appears To the Right Of County Name



Many Counties Facing Price Increases Have Below Average PerCapita Income. Number To the Right of County Is County PerCapita As A Percent StateWide Average Per Capita Income

